

**WESTERLY METROPOLITAN DISTRICT NO. 4
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

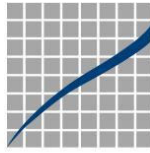
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(UNAUDITED)**

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BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Westerly Metropolitan District No. 4
Erie, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Westerly Metropolitan District No. 4 ("District") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2021, the respective changes in financial position, and the budgetary comparison schedule for the general fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional information procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information and continuing disclosure of financial information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BiggsKofford, P.C.

Colorado Springs, Colorado
July 28, 2022

BASIC FINANCIAL STATEMENTS

**WESTERLY METROPOLITAN DISTRICT NO. 4
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	\$ 35,717,752
Due from Other Districts	1,800
Property Taxes Receivable	26
Total Assets	35,719,578
LIABILITIES	
Accrued Interest Payable	129,281
Due to Other Districts	2,187,082
Noncurrent Liabilities:	
Due in More Than One Year	46,530,238
Total Liabilities	48,846,601
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenues	26
Total Deferred Inflows of Resources	26
NET POSITION	
Restricted for:	
Debt Service	(715,516)
Capital Projects	(9,642,499)
Unrestricted	(2,769,034)
Total Net Position	\$ (13,127,049)

See accompanying Notes to Basic Financial Statements.

WESTERLY METROPOLITAN DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ -	\$ -	\$ 1,772	\$ -	\$ 1,772
Public Improvements	9,674,799				(9,674,799)
Interest and Related Costs on Long-Term Debt	3,462,458	-	-	-	(3,462,458)
	<u>\$ 13,137,257</u>	<u>\$ -</u>	<u>\$ 1,772</u>	<u>\$ -</u>	<u>(13,135,485)</u>
GENERAL REVENUES					
Property Taxes					66
Specific Ownership Taxes					1
Net Investment Income					8,369
Total General Revenues					<u>8,436</u>
CHANGE IN NET POSITION					
					(13,127,049)
Net Position - Beginning of Year					-
NET POSITION - END OF YEAR					<u>\$ (13,127,049)</u>

See accompanying Notes to Basic Financial Statements.

**WESTERLY METROPOLITAN DISTRICT NO. 4
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Fund
ASSETS				
Cash and Investments - Restricted	\$ 5	\$ 6,734,484	\$ 28,983,263	\$ 35,717,752
Due from Other Districts	-	1,800	-	1,800
Property Taxes Receivable	4	22	-	26
Total Assets	\$ 9	\$ 6,736,306	\$ 28,983,263	\$ 35,719,578
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to Other Districts	\$ 5	\$ -	\$ 2,187,077	\$ 2,187,082
Total Liabilities	5	-	2,187,077	2,187,082
 DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	4	22	-	26
Total Deferred Inflows of Resources	4	22	-	26
 FUND BALANCES				
Restricted for:				
Debt Service	-	6,736,284	-	6,736,284
Capital Projects	-	-	26,796,186	26,796,186
Total Fund Balances	-	6,736,284	26,796,186	33,532,470
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9	\$ 6,736,306	\$ 28,983,263	

Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(45,940,586)
Accrued Interest on Bonds Payable	(718,933)

Net Position of Governmental Activities	\$ (13,127,049)
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See accompanying Notes to Basic Financial Statements.

WESTERLY METROPOLITAN DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Debt Service	Capital Projects	Total Governmental Fund
REVENUES				
Property Taxes	\$ 5	\$ 61	\$ -	\$ 66
Specific Ownership Taxes	-	1	-	1
Net Investment Income	-	1,583	6,786	8,369
Transfer from District No. 2	-	832	-	832
Transfer from District No. 3	-	940	-	940
Total Revenues	<u>5</u>	<u>3,417</u>	<u>6,786</u>	<u>10,208</u>
EXPENDITURES				
General:				
Debt Service				
Bond Interest - Series 2020A	-	1,215,239	-	1,215,239
Bond Issue Costs	-	-	1,355,696	1,355,696
Transfer to District No. 1	5	-	9,674,794	9,674,799
Capital Projects				
Capital Outlay	-	-	-	-
Total Expenditures	<u>5</u>	<u>1,215,239</u>	<u>11,030,490</u>	<u>12,245,734</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,211,822)	(11,023,704)	(12,235,526)
OTHER FINANCING SOURCES (USES)				
Bond Issuance - Series 2021A-1	-	-	31,345,000	31,345,000
Bond Issuance - Series 2021A-1 Premium	-	-	945,798	945,798
Bond Issuance - Series 2021A-2	-	-	5,001,198	5,001,198
Bond Issuance - Series 2021B	-	-	8,476,000	8,476,000
Transfer to/from Other Funds	-	7,948,106	(7,948,106)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,948,106</u>	<u>37,819,890</u>	<u>45,767,996</u>
NET CHANGE IN FUND BALANCES	-	6,736,284	26,796,186	33,532,470
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 6,736,284</u>	<u>\$ 26,796,186</u>	<u>\$ 33,532,470</u>

See accompanying Notes to Basic Financial Statements.

**WESTERLY METROPOLITAN DISTRICT NO. 4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ 33,532,470

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds record the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

Bond Issuance 2021A-1	(31,345,000)
Bond Issuance 2021A-2	(5,001,198)
Bond Issuance 2021B	(8,476,000)
Bond Issuance 2021A-2 Accretion	(205,198)
Bond Interest Payable - 2021B	(589,652)
Bond Interest Payable - 2021A	(129,281)
Bond Premium 2021A	(945,798)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of Bond Premium	32,608
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Change in Net Position of Governmental Activities	<u>\$ (13,127,049)</u>
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**WESTERLY METROPOLITAN DISTRICT NO. 4
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 5	\$ 5	\$ -
Total Revenues	<u>5</u>	<u>5</u>	<u>-</u>
EXPENDITURES			
Transfer to District 1	<u>5</u>	<u>5</u>	<u>-</u>
Total Expenditures	<u>5</u>	<u>5</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 DEFINITION OF REPORTING ENTITY

Westerly Metropolitan District No. 4 (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the Weld County District Court on June 24, 2020 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Erie.

At a special election of the eligible electors of the District on May 5, 2020, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the design, acquisition, installation, construction and completion of certain public improvements and services. Westerly Metropolitan Districts No. 1-4 are expected to work together to provide for the acquisition, construction, and financing of the public improvements for the construction or acquisition of the infrastructure.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District has no employees, and all operations and administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2021.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	<u>\$ 35,717,752</u>
Total Cash and Investments	<u><u>\$ 35,717,752</u></u>

Cash and investments as of December 31, 2021, consist of the following:

Investments	<u>\$ 35,717,752</u>
Total Cash and Investments	<u><u>\$ 35,717,752</u></u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2021, the District had no cash deposits.

Investments

The District has adopted an investment policy by which it follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities of the World Bank
- . Certain international agency securities
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2021, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average 32 Days	\$ 35,717,752

CSAFE

At December 31, 2021, all of District's funds held in trust accounts The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance - December 31, 2020	Additions	Reductions	Balance - December 31, 2021	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Limited Tax General					
Obligation Bonds:					
Series 2021A-1	\$ -	\$ 31,345,000	\$ -	\$ 31,345,000	\$ -
Series 2021A-2	-	5,001,198	-	5,001,198	-
Series 2021A-2 Accretion	-	205,198	-	205,198	-
Series 2021B	-	8,476,000	-	8,476,000	-
Series 2021B Accrued					
Interest	-	589,652	-	589,652	-
Total Bonds Payable	-	45,617,048	-	45,617,048	-
Unamortized Bond Premium	-	945,798	32,608	913,190	-
Total	\$ -	\$ 46,562,846	\$ 32,608	\$ 46,530,238	\$ -

The details of the District's general obligation bonds outstanding are as follows:

General Obligation Limited Tax Bonds, Series 2021A-1 (the 2021A-1 Senior Bonds), **General Obligation Limited Tax Convertible Capital Appreciation Bonds, Series 2021A-2** (the 2021A-2 Senior Bonds, and with the 2021A-1 Senior Bonds, the Senior Bonds), and **Subordinate General Obligation Limited Tax Bonds, Series 2021B(3)** (the Subordinate Bonds, and together with the Senior Bonds, the Bonds).

Bond Proceeds

The District issued the Bonds on February 19, 2021, in the par amounts of \$31,345,000 for the 2021A-1 Senior Bonds, \$5,001,198 (value at issuance) and \$6,730,000 (value at conversion date) for the 2021A-2 Senior Bonds, and \$8,476,000 for the Subordinate Bonds.

Proceeds from the sale of the Senior Bonds were used to (i) finance or reimburse the costs of public improvements related to a residential and commercial development in the Town; (ii) pay capitalized interest on the 2021A-1 Senior Bonds; (iii) fund an initial deposit to the Senior Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds of the Subordinate Bonds were used to finance additional public improvements related to the Development.

2021A-1 Senior Bonds

The 2021A-1 Senior Bonds bear interest at rates ranging from 4.125% to 5.000% (yield 4.491%) per annum and are payable semiannually on June 1 and December 1, beginning on December 1, 2021. The 2021A-1 Senior Bonds were issued as three term bonds that have annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2028. The 2021A-1 Senior Bonds have a final maturity of December 1, 2050.

WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2021A-1 Senior Bonds (Continued)

To the extent principal of any 2021A-1 Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Senior Bonds Termination Date of December 2, 2060, and shall continue to bear interest at the rate then borne by the 2021A-1 Senior Bond. To the extent interest on any 2021A-1 Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date at the rate borne by the 2021A-1 Senior Bond. If any amount of principal or interest due on the 2021A-1 Senior Bonds remains unpaid on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

2021A-2 Senior Bonds

The 2021A-2 Senior Bonds were issued as capital appreciation bonds that automatically convert to current interest bonds on December 1, 2026. Prior to conversion to current interest bonds, the 2021A-2 Senior Bonds do not pay current interest; instead, they accrete in value at an annual yield equal to 5.200%. The bond accretes December 1. Such accreted amount, together with the original principal amount of the 2021A-2 Senior Bonds, bears interest at the interest rate borne by the 2021A-2 Senior Bonds upon conversion to current interest bonds.

The accreted principal balance at conversion to current interest bonds on December 1, 2026, will be \$6,730,000. Upon conversion to current interest bonds, the 2021A-2 Senior Bonds will bear interest at a rate of 5.200%, payable semiannually on June 1 and December 1, commencing on June 1, 2027. Annual principal payments are due on December 1 of each year beginning December 1, 2028. The 2021A-2 Senior Bonds mature on December 1, 2050.

On and after conversion to current interest bonds, to the extent principal of any 2021A-2 Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Senior Bonds Termination Date of December 2, 2060, and shall continue to bear interest at the rate then borne by the 2021A-2 Senior Bond. To the extent interest on any 2021A-2 Senior Bond is not paid when due, such unpaid interest shall compound semiannually on each interest payment date at the rate borne by the 2021A-2 Senior Bond. If any amount of principal or interest due on the 2021A-2 Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Optional Redemption

The Senior Bonds and Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2026, to February 28, 2027	3.00%
March 1, 2027, to February 29, 2028	2.00
March 1, 2028, to February 28, 2029	1.00
March 1, 2029, and Thereafter	0.00

Senior Bonds Pledged Revenue

The Senior Bonds are payable solely from and to the extent of Senior Pledged Revenue defined generally as the following, net of any costs of collection: (a) the Senior Required Mill Levy; including, without limitation, the ad valorem property tax revenue derived from imposition of the Senior Required Mill Levy in tax levy year 2020 (for tax collection year 2021); (b) the Pledge Agreement Revenues; (c) the Capital Fees; (d) the portion of the Senior Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

“Capital Fees” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future, and include the Capital Facilities Fee.

Senior Required Mill Levy

The District is required to impose a Senior Required Mill Levy upon all taxable property in the District each year in an amount sufficient to pay the Senior Bonds when due, but (i) not in excess of 55 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2017), and (ii) for so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 55 mills (subject to adjustment), or such lesser mill levy which will pay the Senior Bonds when due and will fund the Senior Surplus Fund up to the Maximum Surplus Amount.

Pledge Agreement Revenues

The District has entered into a Capital Pledge Agreement with Westerly Metropolitan District No. 1, Westerly Metropolitan District No. 2, Westerly Metropolitan District No. 3 (collectively, the “Pledge Districts”) and the Trustee which provides property tax revenue derived from the taxable property in the Pledge Districts and other revenue received by the Pledge Districts, combined with revenue of the District, to pay debt service on the Bonds.

WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Pledge Agreement Revenues (Continued)

“Pledge Agreement Revenues” means the moneys derived from the Pledge Districts Capital Revenue. Pledge Districts Capital Revenue includes the following: (a) the Mandatory Capital Levy; including, without limitation, the ad valorem property tax revenues derived from imposition of the Mandatory Capital Levy in tax levy year 2020 (for tax collection year 2021); (b) the Pledge District Capital Fees; (c) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Mandatory Capital Levy; and (d) any PILOT (payment in lieu of taxes) revenues received from any PILOT recorded against any Pledge District’s property.

“Mandatory Capital Levy” means an ad valorem mill levy imposed upon all taxable property in each of the Pledge Districts each year in an amount sufficient (together with any PILOT revenues) to pay the Bonds when due, but (i) not in excess of 55 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2017); and (ii) not less than 55 mills (subject to adjustment), or such lesser mill levy which will fund the Senior Surplus Fund up to the Maximum Surplus Amount and pay all of the principal of and interest on the District’s Subordinate Bonds in full, for so long as the Senior Surplus Fund is less than the Maximum Surplus Fund Amount and the District’s Subordinate Bonds are outstanding. The Mandatory Capital Levy is net of the collection costs of the County and any tax refunds or abatement authorized by or on behalf of the County.

“Pledge District Capital Fees” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by any of the Pledge Districts for services, programs, or facilities furnished by the Pledge Districts, whether now in effect or imposed in the future, and include the Capital Facilities Fee.

Capital Facilities Fee

The District and the Pledge Districts currently impose a Capital Facilities Fee of \$1,700 for each single family detached residence and \$1,200 for each single family attached residence which is due upon issuance of a building permit for any residential lot. The Capital Facilities Fee is not currently imposed on commercial properties.

Additional Security for the Senior Bonds

The 2021A-1 Senior Bonds are further secured by capitalized interest which was funded from proceeds of the 2021A-1 Senior Bonds in the amount of \$4,654,106 and by amounts in the Senior Surplus Fund (if any).

Except for an initial deposit of \$3,294,000 from proceeds of the Senior Bonds, the Senior Surplus Fund will be funded from deposits of annual Senior Pledged Revenue in excess of that needed to pay annual debt service (if any) up to the Maximum Surplus Amount of \$7,269,240. The Senior Surplus Fund shall be maintained for so long as any Senior Bonds are outstanding. Except to the extent Senior Pledged Revenue is available, the District has no obligation to fund the Senior Surplus Fund after issuance of the Senior Bonds in any amount.

WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Additional Security for the Senior Bonds (Continued)

As of December 31, 2021, the balance in the capitalized interest account is \$3,432,731 and the balance in the Senior Surplus Fund is \$3,294,666.

2021A Events of Default and Remedies

2021A Events of Default under the 2021A Senior Indenture. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under the 2021A Senior Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default under the 2021A Senior Indenture except as provided in this Section:

- (a) The District fails or refuses to impose the Senior Required Mill Levy or to apply the Senior Pledged Revenue as required by the 2021A Senior Indenture;
- (b) The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Senior 2021A Indenture or the Bond Resolution, other than as described in the 2021A Senior Indenture, and fails to remedy the same after notice thereof pursuant to the 2021A Senior Indenture; or
- (c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the 2021A Senior Bonds.

2021B – Subordinate Bonds Details

The Subordinate Bonds bear interest at the rate of 8.000% per annum and are payable annually on December 15, beginning December 15, 2021, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2050. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

If any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on the Subordinate Bonds Termination Date of December 16, 2060, such unpaid amount will be deemed discharged.

**WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2021B – Subordinate Bonds Pledged Revenue

Subordinate Pledged Revenue means the money derived by the District from the following sources, net of any costs of collection: (a) the Subordinate Required Mill Levy; including, without limitation, the ad valorem property tax revenue derived from imposition of the Subordinate Required Mill Levy in tax levy year 2020 (for tax collection year 2021); (b) the Subordinate Pledge Agreement Revenues; (c) the Subordinate Capital Fee Revenue, if any; (d) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; and (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

“Subordinate Pledged Agreement Revenues” means any revenue from Pledge Agreement Revenues remaining after deduction of any amount applied to the payment of any Senior Bonds.

“Subordinate Capital Fee Revenue” means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Bonds.

Subordinate Required Mill Levy

The District is required to impose a Subordinate Required Mill Levy upon all taxable property in the District each year in the amount of 55 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2017) less the amount of the Senior Bond Mill Levy, or such lesser mill levy which is sufficient to pay all of the principal and interest of the Subordinate Bonds in full. Senior Bond Mill Levy means the mill levy required to be used to repay any Senior Bonds.

2021A-1 Senior Bonds Debt Service

The outstanding principal and interest of the 2021A-1 Senior Bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 1,551,369	\$ 1,551,369
2023	-	1,551,369	1,551,369
2024	-	1,551,369	1,551,369
2025	-	1,551,369	1,551,369
2026	-	1,551,369	1,551,369
2027 - 2031	1,815,000	7,676,819	9,491,819
2032 - 2036	4,120,000	7,001,500	11,121,500
2037 - 2041	5,860,000	5,806,500	11,666,500
2042 - 2046	8,155,000	4,123,750	12,278,750
2047 - 2050	11,395,000	1,667,750	13,062,750
Total	<u>\$ 31,345,000</u>	<u>\$ 34,033,164</u>	<u>\$ 65,378,164</u>

**WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2021A-2 Senior Bonds Debt Service

The outstanding principal and interest of the 2021A-2 Senior Bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ -	\$ -
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027 - 2031	278,670	1,825,590	2,104,260
2032 - 2036	661,377	1,795,122	2,456,499
2037 - 2041	947,478	1,624,922	2,572,400
2042 - 2046	1,333,900	1,375,519	2,709,419
2047 - 2050	1,779,772	973,249	2,753,021
Total	<u>\$ 5,001,198</u>	<u>\$ 7,594,402</u>	<u>\$ 12,595,600</u>

The annual debt service requirements of the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

Authorized Debt

At December 31, 2021, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Authorized May 5, 2020 Election</u>	<u>Authorization Used Series 2021 A&B</u>	<u>Remaining at December 31, 2021</u>
Streets	\$ 100,000,000	\$ 19,560,420	\$ 80,439,580
Parks and Recreation	100,000,000	10,933,423	89,066,577
Water	100,000,000	3,749,630	96,250,370
Sanitation and Storm Sewer	100,000,000	12,307,527	87,692,473
Public Transportation	100,000,000	-	100,000,000
Mosquito Control	100,000,000	-	100,000,000
Safety Protection	100,000,000	-	100,000,000
Fire Protection	100,000,000	-	100,000,000
Television Relay and Translation	100,000,000	-	100,000,000
Security	100,000,000	-	100,000,000
Operations and Maintenance	100,000,000	-	100,000,000
Directional Drilling	100,000,000	-	100,000,000
Debt Refunding	1,100,000,000	-	1,100,000,000
Intergovernmental Agreements	100,000,000	-	100,000,000
Private Agreement Debt	100,000,000	-	100,000,000
Special Assessment Debt	100,000,000	-	100,000,000
Total	<u>\$ 2,600,000,000</u>	<u>\$ 46,551,000</u>	<u>\$ 2,553,449,000</u>

The Service Plan currently limits the aggregate Debt (as defined in the Service Plan) that may be issued by the Districts to \$100,000,000.

**WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District’s service area; however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

NOTE 5 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

The District has a deficit in restricted net position. This deficit is primarily due to bond proceeds transferred to District No. 1 and bond issuance costs.

	Governmental Activities
Restricted Net Position:	
Debt Service	\$ (715,516)
Capital Projects	(9,642,499)
Total Restricted Net Position	\$ (10,358,015)

NOTE 6 INTERFUND TRANSFERS

The transfer from the Capital Projects Fund to the Debt Service Fund represents bond proceeds deposited into the Capitalized Interest Fund and Debt Service Reserve Fund.

NOTE 7 AGREEMENTS

District Coordinating Services Agreement (District Nos. 1-4)

Effective as of October 28, 2020, the Districts entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts, and costs related to the continued operation and maintenance of certain public improvements within such Districts. Pursuant to the Coordinating Services Agreement, District No. 1 was designated as the “coordinating district” (the Coordinating District). Districts No. 2-4 were each designated as “financing districts” (the Financing Districts).

NOTE 8 RELATED PARTIES

The property within the District is being developed by Erie Land Company LLC (Developer). During 2021, all of the members of the Board of Directors were officers or employees of, or otherwise associated with the Developer, and may have conflicts of interest in matters involving the District.

WESTERLY METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATION

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On May 5, 2020, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**WESTERLY METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 32	\$ 61	\$ 29
Specific Ownership Taxes	-	1	1
Net Investment Income	-	1,583	1,583
Transfer from District No. 2	759	832	73
Transfer from District No. 3	850	940	90
Total Revenues	<u>1,641</u>	<u>3,417</u>	<u>1,776</u>
EXPENDITURES			
Bond Interest - Series 2021A1	<u>1,275,797</u>	<u>1,215,239</u>	<u>60,558</u>
Total Expenditures	<u>1,275,797</u>	<u>1,215,239</u>	<u>60,558</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,274,156)	(1,211,822)	62,334
OTHER FINANCING SOURCES (USES)			
Transfer from Other Funds	<u>7,973,994</u>	<u>7,948,106</u>	<u>(25,888)</u>
Total Other Financing Sources (Uses)	<u>7,973,994</u>	<u>7,948,106</u>	<u>(25,888)</u>
NET CHANGE IN FUND BALANCE	6,699,838	6,736,284	36,446
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,699,838</u>	<u>\$ 6,736,284</u>	<u>\$ 36,446</u>

**WESTERLY METROPOLITAN DISTRICT NO. 4
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ -	\$ 7,500	\$ 6,786	\$ (714)
Total Revenues	-	7,500	6,786	(714)
EXPENDITURES				
Bond Issue Costs	1,217,729	1,354,204	1,355,696	(1,492)
Transfers to District No. 1	29,720,217	29,720,217	9,674,794	20,045,423
Capital Outlay	-	1,953,777	-	1,953,777
Total Expenditures	30,937,946	33,028,198	11,030,490	21,997,708
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(30,937,946)	(33,020,698)	(11,023,704)	21,996,994
OTHER FINANCING SOURCES (USES)				
Bond Issuance - Series 2021A-1	29,960,000	31,345,000	31,345,000	-
Bond Issuance - Series 2021A-1 Premium	-	945,798	945,798	-
Bond Issuance - Series 2021A-2	5,002,940	5,001,198	5,001,198	-
Bond Issuance - Series 2021B	3,949,000	8,476,000	8,476,000	-
Transfer to Other Funds	(7,973,994)	(7,973,994)	(7,948,106)	25,888
Total Other Financing Sources (Uses)	30,937,946	37,794,002	37,819,890	25,888
NET CHANGE IN FUND BALANCE	-	4,773,304	26,796,186	22,022,882
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ 4,773,304	\$ 26,796,186	\$ 22,022,882

OTHER INFORMATION

WESTERLY METROPOLITAN DISTRICT NO. 4
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021

\$31,345,000 General Obligation Limited Tax Bonds
Series 2020A-1 Senior Bonds
Interest Rate 4.125%
Principal Due December 1
Interest Payable June 1 and December 1

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 1,551,369	\$ 1,551,369
2023	-	1,551,369	1,551,369
2024	-	1,551,369	1,551,369
2025	-	1,551,369	1,551,369
2026	-	1,551,369	1,551,369
2027	-	1,551,369	1,551,369
2028	180,000	1,551,369	1,731,369
2029	410,000	1,543,944	1,953,944
2030	580,000	1,527,031	2,107,031
2031	645,000	1,503,106	2,148,106
2032	710,000	1,476,500	2,186,500
2033	750,000	1,441,000	2,191,000
2034	830,000	1,403,500	2,233,500
2035	870,000	1,362,000	2,232,000
2036	960,000	1,318,500	2,278,500
2037	1,005,000	1,270,500	2,275,500
2038	1,105,000	1,220,250	2,325,250
2039	1,160,000	1,165,000	2,325,000
2040	1,265,000	1,107,000	2,372,000
2041	1,325,000	1,043,750	2,368,750
2042	1,440,000	977,500	2,417,500
2043	1,510,000	905,500	2,415,500
2044	1,635,000	830,000	2,465,000
2045	1,715,000	748,250	2,463,250
2046	1,855,000	662,500	2,517,500
2047	1,945,000	569,750	2,514,750
2048	2,095,000	472,500	2,567,500
2049	2,200,000	367,750	2,567,750
2050	5,155,000	257,750	5,412,750
Total	<u>\$ 31,345,000</u>	<u>\$ 34,033,164</u>	<u>\$ 65,378,164</u>

WESTERLY METROPOLITAN DISTRICT NO. 4
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2021

<u>Year Ended December 31,</u>	\$5,001,198 GO Limited Tax Convertible Capital Appreciation Bonds Series 2020A-2 Senior Bonds Interest Rate 5.200% Principal Due December 1 Interest Payable June 1 and December 1		
	Principal	Interest	Total
2022	\$ -	\$ -	\$ -
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	349,960	349,960
2028	26,009	358,951	384,960
2029	63,165	369,975	433,140
2030	89,174	374,546	463,720
2031	100,321	372,159	472,480
2032	115,184	370,276	485,460
2033	118,899	363,501	482,400
2034	133,762	360,318	494,080
2035	141,193	353,527	494,720
2036	152,340	347,500	499,840
2037	163,486	340,694	504,180
2038	178,349	334,391	512,740
2039	185,780	324,480	510,260
2040	204,358	317,902	522,260
2041	215,505	307,455	522,960
2042	234,083	298,797	532,880
2043	248,945	287,555	536,500
2044	267,523	276,557	544,080
2045	282,386	262,974	545,360
2046	300,964	249,636	550,600
2047	319,542	234,998	554,540
2048	341,835	220,345	562,180
2049	360,413	202,847	563,260
2050	757,982	315,059	1,073,041
Total	\$ 5,001,198	\$ 7,594,402	\$ 12,595,600

**WESTERLY METROPOLITAN DISTRICT NO. 4
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 YEAR ENDED DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2021	530	10.000	61.230	37	66	178%
Estimated for the Year Ending December 31,						
2022	\$ 360	10.000	61.230	\$ 26		

**CONTINUING DISCLOSURE
ANNUAL FINANCIAL INFORMATION
(UNAUDITED)**

**WESTERLY METROPOLITAN DISTRICT NO. 4
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

History of Assessed Valuations of the Districts

Levy / Collection Year	Assessed Value No. 1	Assessed Value No. 2	Assessed Value No. 3	Assessed Value No. 4	Assessed Value Total
2020/2021	\$ 450	\$ 11,420	\$ 12,900	\$ 530	\$ 25,300
2021/2022	2,590	22,610	16,950	360	42,510

Ten Largest Owners of Taxable Property within District No. 1

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer / Assessed Valuation ⁽¹⁾
Erie Land Company LLC	\$ 460	18 %
United Power Inc.	2,130	82
Total	<u>\$ 2,590</u>	<u>100 %</u>

(1) Based on a 2021 certified assessed Valuation

**WESTERLY METROPOLITAN DISTRICT NO. 4
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Ten Largest Owners of Taxable Property within District No. 2

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer / Assessed Valuation ⁽¹⁾
Erie Land Company LLC	\$ 11,670	52 %
United Power Inc.	10,940	48
Total	<u>\$ 22,610</u>	<u>100 %</u>

(1) Based on a 2021 certified assessed Valuation

Ten Largest Owners of Taxable Property within District No. 3

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer / Assessed Valuation ⁽¹⁾
Erie Land Company LLC	\$ 6,020	36 %
Kerr-McGee Oil & Gas Onshore LP	5,430	32
Kerr-McGee Gaterhing LLC	1,080	6
United Power Inc.	4,420	26
Total	<u>\$ 16,950</u>	<u>100 %</u>

(1) Based on a 2021 certified assessed Valuation

Ten Largest Owners of Taxable Property within District No. 4

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer / Assessed Valuation ⁽¹⁾
Erie Land Company LLC	\$ 360	100 %
Total	<u>\$ 360</u>	<u>100 %</u>

(1) Based on a 2021 certified assessed Valuation

**WESTERLY METROPOLITAN DISTRICT NO. 4
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Assessed Valuation of Classes of Property in the Districts

Property Class	Assessed Valuation No. 1	Assessed Valuation No. 2	Assessed Valuation No. 3	Assessed Valuation No. 4	Assessed Valuation Total	Assessed Valuation % of Total
Agricultural	\$ 460	\$ 11,670	\$ 6,020	\$ 360	\$ 18,510	44 %
Oil & Gas	-	-	5,430	-	5,430	13
State Assessed	2,130	10,940	5,500	-	18,570	44
Total	\$ 2,590	\$ 22,610	\$ 16,950	\$ 360	\$ 42,510	100 %

Property Tax Collections in the Districts

Levy / Collection Year	Property Taxes Levied				Total Taxes Levied	Current Tax Collection	Collection Rate
	District No. 1	District No. 2	District No. 3	District No. 4			
2020/2021	\$ 33	\$ 813	\$ 919	\$ 37	\$ 38	\$ 1,297	100 %
Total	\$ 33	\$ 813	\$ 919	\$ 37	\$ 38	\$ 1,297	100 %

History of Mill Levies

Levy / Collection Year	District No. 1			District No. 2			District No. 3			District No. 4		
	General Fund	Debt Service	Total Levy	General Fund	Debt Service	Total Levy	General Fund	Debt Service	Total Levy	General Fund	Debt Service	Total Levy
2020/2021	10.000	61.230	71.230	10.000	61.230	71.230	10.000	61.230	71.230	10.000	61.230	71.230

**WESTERLY METROPOLITAN DISTRICT NO. 4
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2021**

Ratio of Debt to Assessed Valuation

<u>Balance as of December 31, 2021</u>	
2021A-1 Senior Bonds	\$ 31,345,000
2021A-2 Senior Bonds	5,001,198
2021B Subordinate Bonds	<u>36,195,142</u>
 Total Debt	 <u><u>\$ 72,541,340</u></u>
 <u>2021/2022 Assessed Valuation</u>	
Assessed Valuation No. 1	\$ 2,590
Assessed Valuation No. 2	22,610
Assessed Valuation No. 3	16,950
Assessed Valuation No. 4	<u>360</u>
 Total Assessed Valuation	 <u><u>\$ 42,510</u></u>